

# R99E Maryland School for the Deaf

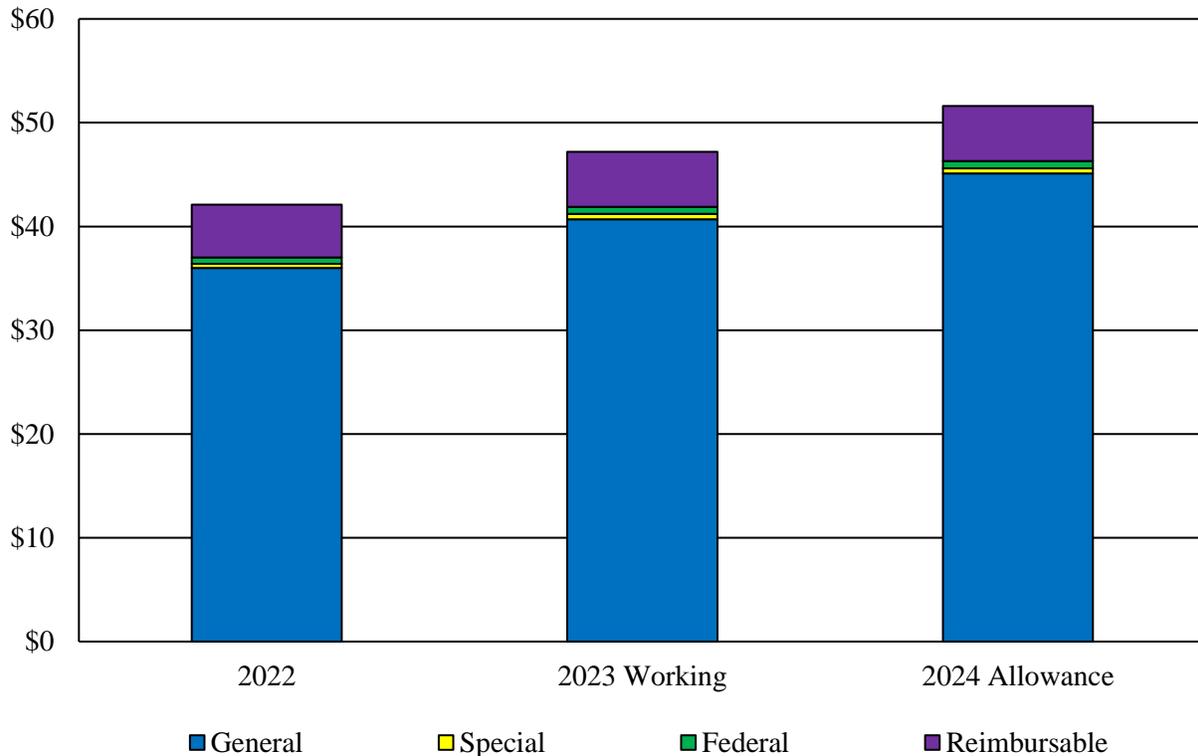
## Program Description

The Maryland School for the Deaf (MSD) is a public school that educates deaf and hard of hearing students from across the State at its two campuses in Frederick and Columbia. Students range in age from prekindergarten through age 21. MSD also serves the families of its students through early intervention and enhanced services programs, which provide education, early childhood programs, and American Sign Language (ASL) classes.

## *Operating Budget Summary*

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**Fiscal 2024 Budget Increases \$4.4 Million, or 9.3%, to \$51.6 Million  
(\$ in Millions)**



Note: Numbers may not sum due to rounding. The fiscal 2023 working appropriation includes deficiency appropriations including this agency’s share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

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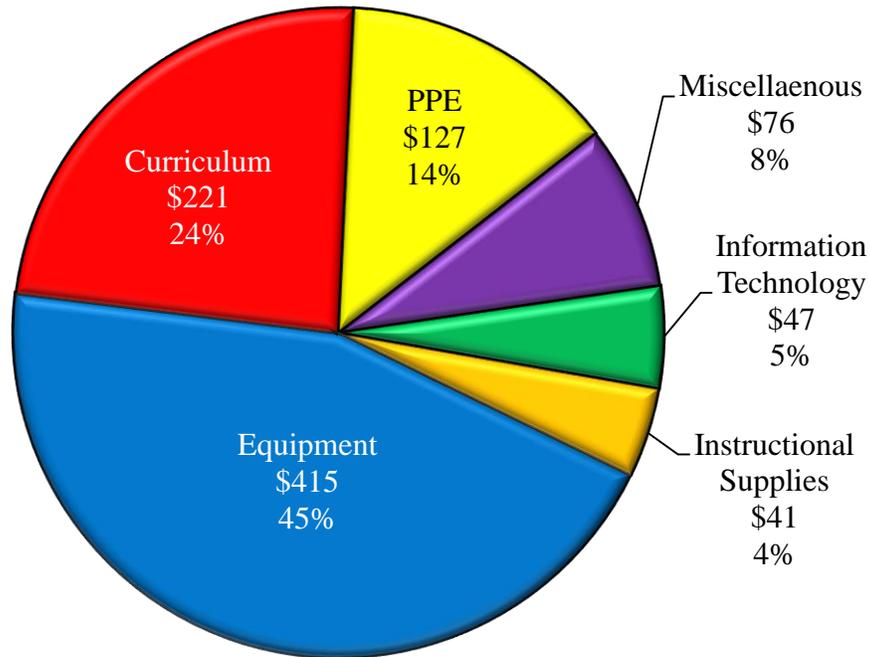
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## Fiscal 2023

### Federal Stimulus Funds

Between fiscal 2020 and 2021, MSD received \$1.2 million in various federal COVID-19 relief funds based on enrollment. To date, the school has spent \$927,000, or 80%, of funds with the remaining \$235,774, or 20%, planned for expenditure by the required deadline in September 2023. **Exhibit 1** shows federal stimulus fund grant distributions and expenditures.

**Exhibit 1**  
**Federal Stimulus Fund Expenditures**  
**Fiscal 2021-2023**  
**(\$ in Thousands)**



**Total Funds Allocated:**  
**\$1,163,774**

PPE: personal protective equipment

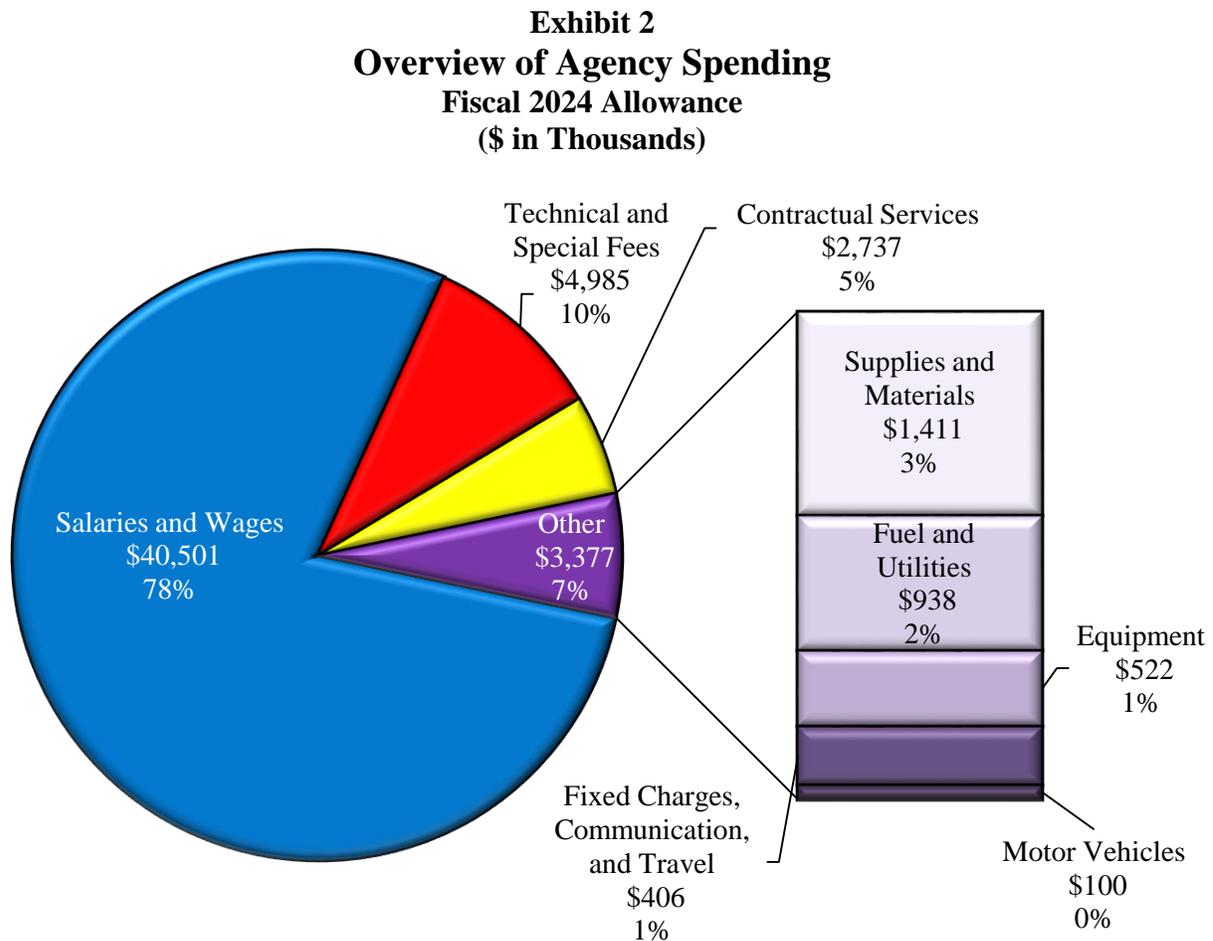
Source: Maryland School for the Deaf

## Proposed Deficiency

MSD receives a fiscal 2023 federal fund deficiency allocation for \$203,790 to cover eligible education and health care expenses. Of this amount, \$100,000 is from the Special Education – Grants to States Fund, and \$103,790 is from the Medical Assistance Program. These funds are allocated in the fiscal 2023 budget for personnel expenditures.

## Fiscal 2024 Overview of Agency Spending

The fiscal 2024 proposed budget for MSD totals \$51.6 million. **Exhibit 2** displays an overview of agency spending by object.



Note: The fiscal 2024 allowance for salaries and wages does not reflect funding for statewide personnel actions budgeted in the Department of Budget and Management, which include cost-of-living adjustments, increments, bonuses, and annual salary review adjustments.

Source: Fiscal 2024 Governor’s Budget Books

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In the fiscal 2024 proposed budget, salaries and wages total \$40.5 million, or 78%, of MSD’s total allowance. Contractual employment accounts for \$5.0 million, or 10%, which reflects an increase in MSD’s allotment for contractual personnel. Contractual services total \$2.7 million, which includes approximately \$1.1 million for routine maintenance and repairs and \$151,000 for a school resource officer for the Frederick campus.

**Enrollment**

**Exhibit 3** shows MSD’s actual enrollment history and assumptions for fiscal 2020 through 2024. An enrollment formula in § 8-3A-09 of the Education Article determines MSD’s annual enrollment count, which uses a four-year average to mitigate sharp increases and decreases in the student population. For the purposes of calculating MSD’s enrollment for formula funding, early intervention students are counted at 50% of enrollment, and school-age students are counted at 100% of enrollment (enhanced services students are not included in this count).

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**Exhibit 3**  
**Maryland School for the Deaf Enrollment**  
**Fiscal 2020-2024 Est.**

<u>Fiscal Year</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023 Est.</u>	<u>2024 Est.</u>
School Year	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024
Enhanced Services Students	58	53	53	52	52
Early Intervention Students	67	67	57	62	61
School-age Students	424	402	388	396	392
<b>Total</b>	<b>549</b>	<b>522</b>	<b>498</b>	<b>510</b>	<b>505</b>
<i>Enrollment for Formula Funding</i>	<i>458</i>	<i>436</i>	<i>417</i>	<i>427</i>	<i>423</i>

Source: Department of Budget and Management

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**Proposed Budget Change**

MSD’s general fund allowance is formula-based and calculated using (1) a per pupil allocation in § 5-201 of the Education Article and (2) the enrollment formula mentioned previously. Due to an increase in the per pupil amount mandated in Chapter 36 of 2021, MSD’s per pupil funding increases from \$8,310 in fiscal 2023 to \$8,642 in fiscal 2024.

When combined with changes to other fund sources, MSD’s proposed budget increase is \$4.4 million, which is primarily reflected in an increase to workers’ compensation, salaries and wages, health insurance, and other related personnel expenses. **Exhibit 4** shows these proposed changes.

**Exhibit 4**  
**Proposed Budget**  
**Maryland School for the Deaf**  
**(\$ in Thousands)**

<b>How Much It Grows:</b>	<b>General Fund</b>	<b>Special Fund</b>	<b>Federal Fund</b>	<b>Reimb. Fund</b>	<b>Total</b>
Fiscal 2022 Actual	\$36,023	\$391	\$657	\$5,133	\$42,204
Fiscal 2023 Working Appropriation	40,705	533	678	5,304	47,220
Fiscal 2024 Allowance	<u>45,158</u>	<u>531</u>	<u>653</u>	<u>5,258</u>	<u>51,601</u>
Fiscal 2023-2024 Amount Change	\$4,453	-\$2	-\$25	-\$45	\$4,380
Fiscal 2023-2024 Percent Change	10.9%	-0.4%	-3.7%	-0.9%	9.3%

<b>Where It Goes:</b>	<b>Change</b>
<b>Personnel Expenses</b>	
Workers' compensation premium assessment .....	\$1,581
Employee and retiree health insurance .....	859
5.5 new positions .....	480
Fringe benefit costs.....	439
Annualization of 4.5% cost-of-living adjustment in fiscal 2024 .....	345
Salaries and wages .....	341
Employee, teachers, and police retirement .....	73
Social Security .....	73
Miscellaneous adjustments including fiscal 2023 federal fund deficiency allocation ....	34
Unemployment.....	2
Turnover adjustments .....	-89
<b>Other Fund Changes</b>	
Routine plant operations and maintenance .....	227
Instructional materials and services .....	100
Contractual full-time equivalents (including 12.2 new full-time equivalents) .....	88
Fixed charges .....	32
Food, food service supplies, and maintenance.....	30
Legal services and administrative hearings .....	25
Subscriptions, dues, and fees .....	7
Computer software and hardware maintenance .....	1
Other miscellaneous expenses .....	-18
Purchases and leases for new vehicles and maintenance .....	-250
<b>Total</b>	<b>\$4,380</b>

Note: Numbers may not sum to total due to rounding. The fiscal 2023 working appropriation includes deficiency appropriations including this agency's share of a deficiency appropriation budgeted in the Statewide Account within the Department of Budget and Management (DBM). Fiscal 2024 salary enhancements are budgeted in the Statewide Account within DBM.

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MSD’s largest overall increase is for personnel expenses, which grow by \$4.1 million. Of the largest increases, workers’ compensation premium assessments total \$1.6 million, which is 17% higher than fiscal 2023 and reflects an increase in claims. Salaries and wages increase by \$1.2 million, which includes \$480,000 for new positions, \$345,000 in annualized cost-of-living increases, and \$341,000 for regular positions.

MSD’s other increases total approximately \$359,000, the majority of which reflect growth for routine maintenance and services, contractual personnel, and instruction. These increases are offset by a \$250,000 decrease in new vehicle expenses that MSD incurred with the purchase of a small bus and three vans in fiscal 2023.

***Personnel Data***

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	<b><u>FY 22</u></b> <b><u>Actual</u></b>	<b><u>FY 23</u></b> <b><u>Working</u></b>	<b><u>FY 24</u></b> <b><u>Allowance</u></b>	<b><u>FY 23-24</u></b> <b><u>Change</u></b>
Regular Positions	334.50	334.50	340.00	5.50
Contractual FTEs	<u>88.04</u>	<u>82.40</u>	<u>94.50</u>	<u>12.10</u>
<b>Total Personnel</b>	<b>422.54</b>	<b>416.90</b>	<b>434.50</b>	<b>17.60</b>

***Vacancy Data: Regular Positions***

Turnover and Necessary Vacancies, Excluding New Positions	3.78	1.13%
Positions and Percentage Vacant as of 12/31/22	10.00	2.99%
Vacancies Above Turnover	6.22	

- MSD is authorized 340.0 regular positions and 94.50 contractual positions in the fiscal 2024 allowance, which is an increase of 5.5 regular positions and 12.1 contractual, full-time equivalent positions.
- New positions include 3 administrative positions, 2 faculty positions, and an assistant Attorney General. Contractual position increases include an additional interim director of Individual Education Plan (IEP) Services, 7 teacher aides, 2 food service assistants, and 2 painters.
- For fiscal 2024, MSD has a 1% budgeted turnover rate, allowing for the opportunity to fill 6 existing vacant positions in the upcoming fiscal year. As in fiscal 2023, MSD reports a variety of reasons for vacancies including the need for teachers and staff who are fluent in ASL and the expensive housing market in Maryland.

## Key Observations

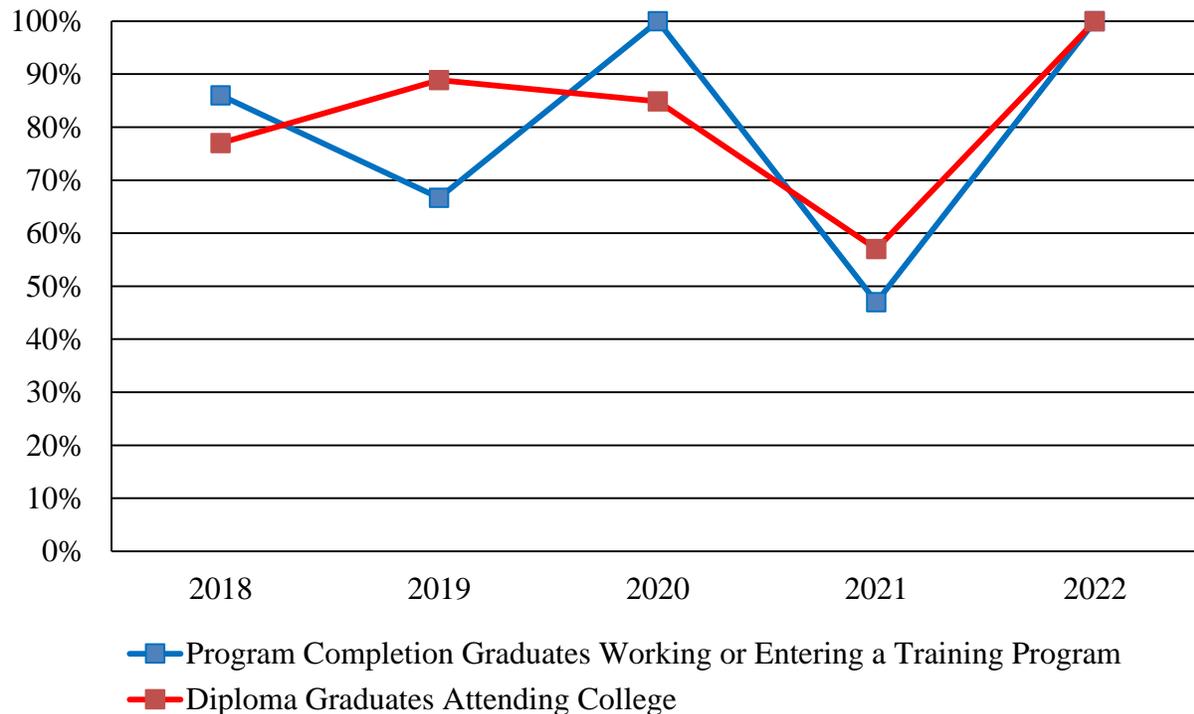
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### 1. MSD Student Graduation Outcomes, but Not Kindergarten Readiness, Return to Prepandemic Levels

**Exhibit 5** shows that in MSD’s 2022 graduating class, 100% of students plan to attend college, work, or enter a training program. For students attending college, this percentage exceeds graduating classes from calendar 2018 through 2021; for students working or entering a training program, this percentage is a return to calendar 2020, 100% placement levels.

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**Exhibit 5**  
**Students Headed to College, Training, and Work**  
**Calendar 2018-2022**



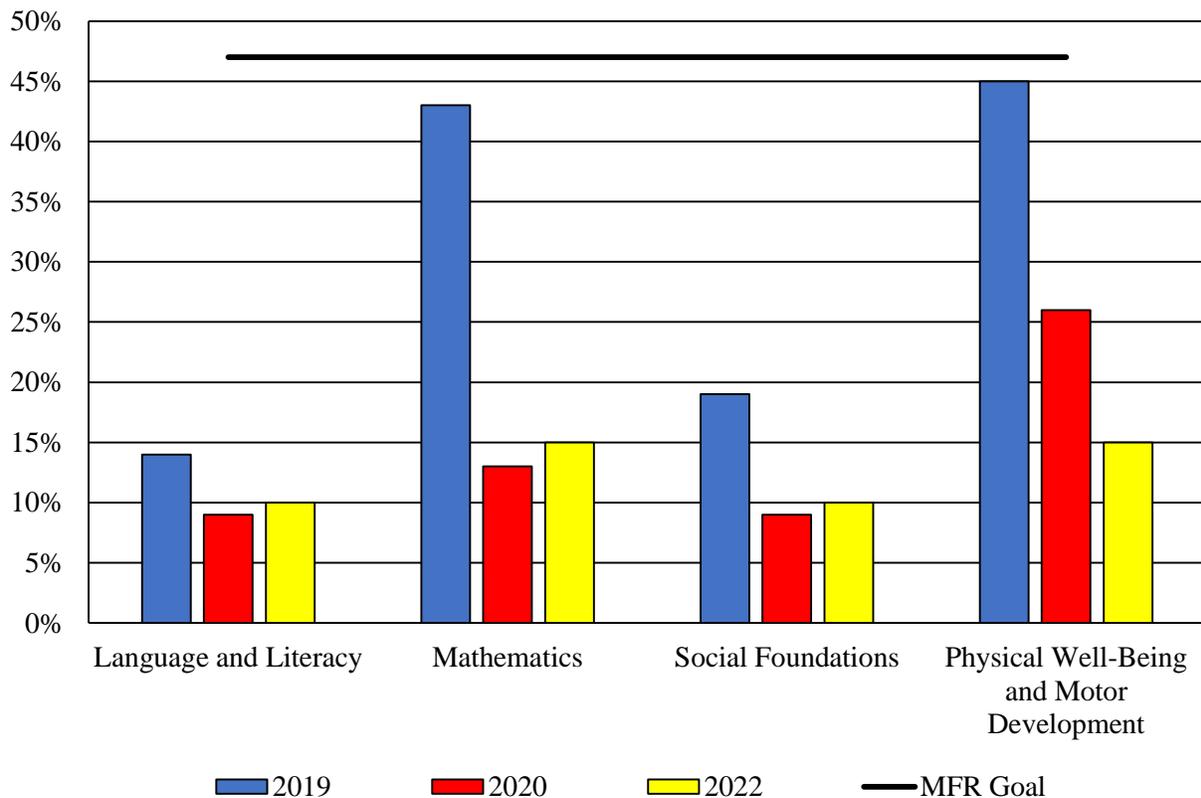
Source: Maryland School for the Deaf, Fiscal 2024 Managing for Results

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**Exhibit 6** shows assessment scores on the Kindergarten Readiness Assessment (KRA). Kindergarten students entering MSD take the KRA in four component areas: language and literacy; mathematics; social foundations; and physical well-being and motor development. MSD’s goal for these measures is that 47% of kindergarteners will demonstrate readiness in these

four areas. Prior to the pandemic in fiscal 2019 (fall 2019), kindergarten students scored above 40% in mathematics and physical well-being but below 20% in social foundations and language and literacy. Three years later in fiscal 2022 (fall 2022), students have not returned to prepandemic achievement levels, scoring 15% or below in all tested areas. Due to pandemic school closures, students did not take the KRA in fiscal 2021.

**Exhibit 6**  
**Kindergarten Readiness Assessment Scores**  
**Fiscal 2019, 2020, and 2022**



MFR: Managing for Results

Note: Entering kindergarteners without audiological access do not receive a score on the language and literacy component.

Source: Maryland School for the Deaf, Fiscal 2024 Managing for Results

**The Department of Legislative Services (DLS) recommends that MSD comment on the school’s KRA scores.**

## **2. MSD and Maryland State Department of Education Address 2019 Audit Concerns and Outdated Memorandum of Understanding**

The 2022 *Joint Chairmen's Report* (JCR) required the Maryland State Department of Education (MSDE) and MSD to submit an update on MSDE's responsibilities for monitoring MSD as required by § 8-3A-08 of the Education Article. This update was to address the committees' concerns about MSD's development of measurable academic and functional IEP goals, documentation of parent concerns, and other IEP meeting protocols. The committees also asked MSDE and MSD to update their outdated memorandum of understanding (MOU). The due date for this JCR request was November 1, 2022.

As of January 16, 2023, MSDE has not submitted this JCR request. According to a letter to the Joint Chairmen from MSD dated January 13, 2023 MSD and MSDE have renegotiated their MOU, MSD has approved it, and the school is waiting for MSDE to complete its review. In the meantime, MSD and MSDE continue to operate under the prior MOU.

**DLS suggests that MSD comment on the status of this MOU and the delay in submitting this JCR request.**

## **3. MSD Announces Mr. John A. Serrano as New Superintendent**

MSD's superintendent retired in September 2020, and a 15-member search committee comprised of a diverse group of stakeholders from across the MSD community was established to facilitate the search process. The search committee held a series of focus groups and meetings in early 2021, released a survey to gain input from members of the MSD community, and assisted in the development of a leadership profile for the superintendent position. However, despite the efforts of the search committee and multiple interviews, the school did not find a suitable candidate and suspended the search in late 2021.

In August 2022, MSD's Board of Trustees announced a second, nationwide search with a new search committee and an expedited timeline. In December 2022, the search committee announced two finalists who interviewed with the board and met with students, staff, administrators, and the larger MSD community. On January 13, 2022, MSD announced Mr. John A. Serrano will start as new superintendent on January 25, 2023. Mr. Serrano comes to MSD from his current role as executive director of undergraduate admissions at Gallaudet University.

## ***Operating Budget Recommended Actions***

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1. Concur with Governor's allowance.

**Appendix 1  
Object/Fund Difference Report  
Maryland School for the Deaf**

<u>Object/Fund</u>	<u>FY 22 Actual</u>	<u>FY 23 Working Appropriation</u>	<u>FY 24 Allowance</u>	<u>FY 23 - FY 24 Amount Change</u>	<u>Percent Change</u>
<b>Positions</b>					
01 Regular	334.50	334.50	340.00	5.50	1.6%
02 Contractual	88.04	82.40	94.50	12.10	14.7%
<b>Total Positions</b>	<b>422.54</b>	<b>416.90</b>	<b>434.50</b>	<b>17.60</b>	<b>4.2%</b>
<b>Objects</b>					
01 Salaries and Wages	\$ 31,085,956	\$ 35,471,006	\$ 40,501,048	\$ 5,030,042	14.2%
02 Technical and Special Fees	4,696,421	4,872,696	4,985,063	112,367	2.3%
03 Communication	123,469	129,153	123,469	-5,684	-4.4%
04 Travel	17,684	9,845	13,700	3,855	39.2%
06 Fuel and Utilities	851,137	764,116	938,147	174,031	22.8%
07 Motor Vehicles	178,962	350,333	100,103	-250,230	-71.4%
08 Contractual Services	2,860,985	2,623,909	2,737,292	113,383	4.3%
09 Supplies and Materials	1,485,001	1,317,594	1,410,667	93,073	7.1%
10 Equipment – Replacement	690,010	465,256	521,824	56,568	12.2%
13 Fixed Charges	214,093	237,083	269,226	32,143	13.6%
<b>Total Objects</b>	<b>\$ 42,203,718</b>	<b>\$ 46,240,991</b>	<b>\$ 51,600,539</b>	<b>\$ 5,359,548</b>	<b>11.6%</b>
<b>Funds</b>					
01 General Fund	\$ 36,023,174	\$ 39,951,105	\$ 45,158,087	\$ 5,206,982	13.0%
03 Special Fund	390,742	520,095	530,967	10,872	2.1%
05 Federal Fund	657,244	466,210	653,179	186,969	40.1%
09 Reimbursable Fund	5,132,558	5,303,581	5,258,306	-45,275	-0.9%
<b>Total Funds</b>	<b>\$ 42,203,718</b>	<b>\$ 46,240,991</b>	<b>\$ 51,600,539</b>	<b>\$ 5,359,548</b>	<b>11.6%</b>

Note: The fiscal 2023 appropriation does not include deficiencies, targeted revenues, or across-the-board reductions. The fiscal 2024 allowance does not include contingent reductions or cost-of-living adjustments.